

May 15, 1975

PRESIDENT: Senator Dickinson.

SENATOR DICKINSON: Mr. President, members of the Legislature, I rise to support Senator Duis' amendment and to oppose the amendment that is now on the bill submitted by Senator Frank Lewis. Frank Lewis has been perfectly honest, I guess. By his amendment, the personal income tax could go as high as 19%, perhaps, before we would trigger a raise in the sales tax. Nobody likes taxes, and believe you, Senator Lewis, in the business I am in, I could pay a lot of sales taxes and never have to pay any income tax because I have to spend money for things to operate a business that you pay sales tax on and may never make any money but I still think it is a fair tax, a fair structure the way we have it now and I don't think we ought to break it up as your amendment did. Senator Syas, you are considered a man of strong character and a leader in this Legislature, please don't be misled by our friend, Senator Lewis, and I think that is exactly what he is doing to you at this moment by guaranteeing you won't have a raise in sales tax and not telling you what else that the total thing does. I think that Senator Carsten said that our present structure is reasonably well accepted. As far as taxes go, Nebraska's system with the three ties we have is very well accepted and I think it ought to stay exactly that way and I hope we support Senator Duis' amendment.

PRESIDENT: Senator Burbach.

SENATOR BURBACH: Mr. President, members of the Legislature, let's look at what we have got here. I am not going to stand here and tell anyone that the Revenue Act of 67 was a perfect piece of legislation but it attempted to do and it was the forerunner of anything we have before us. It was determined at that time that 20% of the individual income tax is the rate the corporation should pay. Along come Senator...a member who served in this body. I can't think of his name now. He is the hog man of the state. Waldo, Senator Waldo and he attempted at that time to change the 20%. He failed that first session and then finally, after much, much research by economists, by the corporations, by individuals, it was determined there was a flaw so we adopted then the 25% figure. Just now, a few moments ago, this body adopted without the proper background for this, they adopted and we passed LB 123 which set this at 30%. I think this was a great error this body made because there wasn't any study made to see if that figure was correct or wrong, but I do believe, and this was a discussion at the time when it was determined that the rate should be on a 50-50 basis in order to have some type of equality between the various taxes that are paid by individuals or corporations, whether it is through income tax, sales tax and so forth. This was the determination this afternoon without any recognition of "what about the formula". Well, we do have the formula, and be that as it may, we have now a 30% formula. That's an error and I believe honestly in my own mind corporations are at fault in adopting and accepting and not bringing up any protest, all in breaking up that formula and I think it is extremely important, and I will tell you in a few moments why I think it is important because corporations are an absolutely different type of taxation. An individual is based on the adjusted gross